CENTRAL NATIONAL BANK

1955 ANNUAL REPORT

CENTRAL NATIONAL BANK

of Cleveland

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66TH ANNUAL REPORT

CENTRAL

National Bank of Cleveland

1955

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Central National Bank of Cleveland

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FINANCIAL HIGH LIGHTS OF 1955

BALANCE SHEET ITEMS	1955	1954
Total Assets	$543,932,893	$509,269,677
Principal Asset Items:		
Cash and Due From Banks	$127,362,758	$110,353,643
U. S. Government Obligations	166,272,211	191,374,742
Other Bonds and Securities	14,060,204	6,294,350
Loans and Discounts	228,672,569	196,125,690
Principal Liability Items:		
Demand Deposits	$358,478,525	$341,607,243
Time Deposits	141,799,107	132,205,357
Total Deposits	$500,277,633	$473,812,600
Valuation Reserves for Loans and Securities	$ 6,253,938	$ 5,658,107
Capital Accounts:		
Capital Stock	$ 14,000,000	$ 11,250,000
Surplus	14,000,000	11,250,000
Undivided Profits	3,277,042	2,600,921
Total Capital Accounts	$ 31,277,042	$ 25,100,921

OPERATING RESULTS	1955	1954
Operating Earnings	$ 5,081,556	$ 4,357,926
Federal Income Taxes	2,125,000	2,035,000
Net Operating Earnings	$ 2,956,556	$ 2,322,926
Operating Earnings Transferred to Reserves	875,000	335,000
Earnings Added to Undivided Profits	$ 2,081,556	$ 1,987,926
Per Share of Capital Stock (a)		
Operating Earnings	$ 5.80	$ 4.98
Federal Income Taxes	2.43	2.33
Net Operating Earnings	$ 3.37	$ 2.65
Operating Earnings Transferred to Reserves	1.00	.38
Earnings Added to Undivided Profits	$ 2.37	$ 2.27
BOOK VALUE AND DIVIDENDS—PER SHARE		
Book Value of Capital Stock (a)	$ 35.74	$ 28.69
Dividends Paid on Capital Stock	1.65	1.60

(a) Based on 875,000 Shares of Capital Stock presently outstanding.

THE PRESIDENT'S REPORT TO SHAREHOLDERS

The year 1955 was one of significant progress in the sixty-six-year history of your bank. Deposits averaged higher throughout the year and for the first time at year end they exceeded one half billion dollars. Net operating earnings reached a new all-time high and the dividend to shareholders was increased in the final quarter of the year.

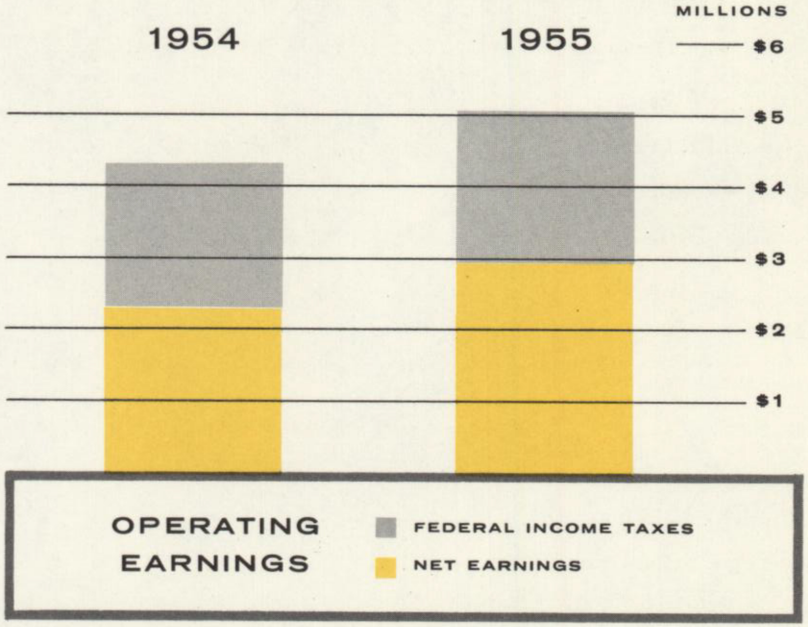
Earnings From Operations

Gross operating income of $15,230,857 was $1,625,407 or 12% above the previous year. Interest received from loans accounted for 55% of total income, compared with 52% in 1954.

Total operating expenses in 1955 were $10,149,300. The increase over 1954 was $901,777, of which $481,103, or over half, represented the cost of raising the interest rate on savings accounts from 1% to 2% effective July 1, 1955. While other expenses increased moderately, nevertheless through continued efforts to increase earnings and to control costs, the favorable trend of the past few years in improving the margin of profit before Federal income tax was continued in 1955. In 1951, this ratio was 26.6%. In each subsequent year it was increased, and last year's profit margin was 33.3% of gross income.

Operating earnings before provision for Federal income tax were $5,081,556, an increase of $723,630 over 1954 or 16.6%. Provision for taxes amounted to $2,125,000 compared with $2,035,000 the previous year. In 1955, transfers to valuation reserve for loans were $875,000 as contrasted with $335,000 in 1954. These transfers resulted in income tax reductions of $455,000 in 1955, and $174,200 in the previous year.

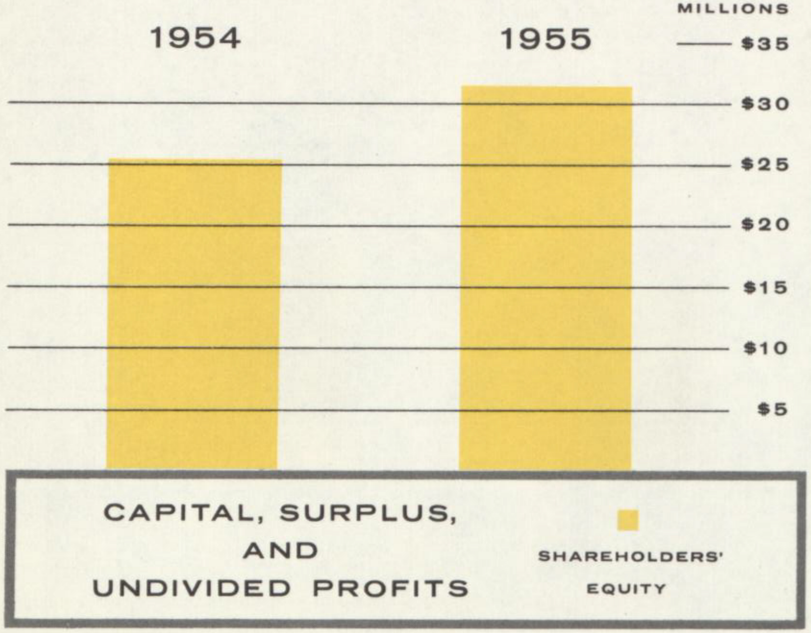
Net operating earnings after taxes were $2,956,556 or an increase of $633,630 over 1954. Computed on a per share basis, net earnings for 1955 were $3.37 compared with $2.65 in 1954, based on 875,000 shares presently outstanding. Income tax reductions due to transfers to valuation reserve for loans amounted to 52¢ a share last year and 20¢ per share in 1954.



Dividends were paid at the rate of 40¢ per share in each of the first three quarters of the year, and at the rate of 45¢ for the fourth quarter. Total dividends paid were $1,375,000.

Capital Accounts and Reserves

Capital funds were increased by $5,585,937 in 1955 by the sale of 171,875 additional shares of capital stock early in the year. This amount, plus the net earnings for the year, increased capital accounts to $31,277,042 at the year end. In addition, the Bank has valuation reserves for loans and securities aggregating $6,253,938. Thus total capital funds and reserves were $37,530,981 last December 31st compared with $30,759,029 at the end of 1954. Book value of capital accounts exclusive of reserves was $35.74 per share at the end of the year.



A recapitulation of the transactions affecting the valuation reserves for loans and securities follows:

Balance January 1st	$ 5,658,107
Transferred from operating earnings	875,000
Transferred from other reserves	641,301
Recoveries	72,463
	$ 7,246,872
Security losses after taxes	913,226
Amounts written off	79,708
Balance December 31st	$ 6,253,938

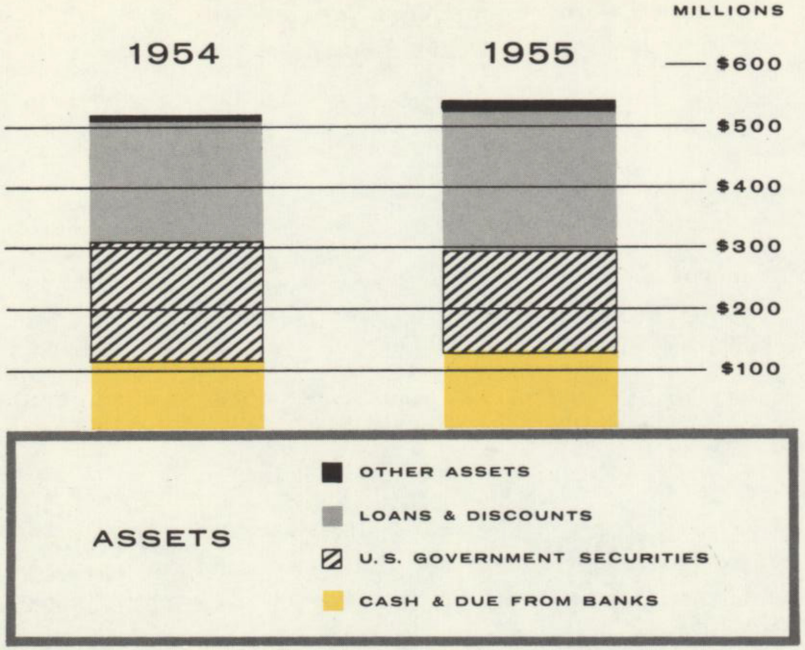
All loans considered to be undesirable assets were written off during the year.

Securities

United States Government securities accounted for 92% of the Bank's securities portfolio at the year end. An additional 3% was in municipal issues and the balance in securities of top rating. Book value of U. S. Government securities owned on December 31, 1955, was $166,272,211, and the par value was $167,340,000.

To make more funds available for the rising loan demand, holdings of U. S. Government securities were reduced by approximately $25,000,000. Interest on securities provided 27% of total gross income for the year. Holdings of U. S. Government securities have an average term of four years and ten months to first call date and five years and four months to maturity. The average interest earning rate on holdings of these securities at the year end was 2.4%.

During 1955, United States Government securities were sold at a net loss of $913,226 after adjustment for Federal income taxes. These losses were taken for the most part to secure tax advantages. The proceeds from these sales were largely invested in other Government issues acquired below par value.



The securities purchased have higher yields than those sold. This increase in income together with capital gains on the securities purchased, to be realized at maturity, will substantially exceed the losses taken this past year. Losses after taxes were charged to the valuation reserve for securities.

Loans

The demand for loans advanced steadily throughout the year and the volume outstanding averaged $26,251,000 higher than in 1954. The year-end total was $228,672,569 compared with $196,125,690 the previous year.

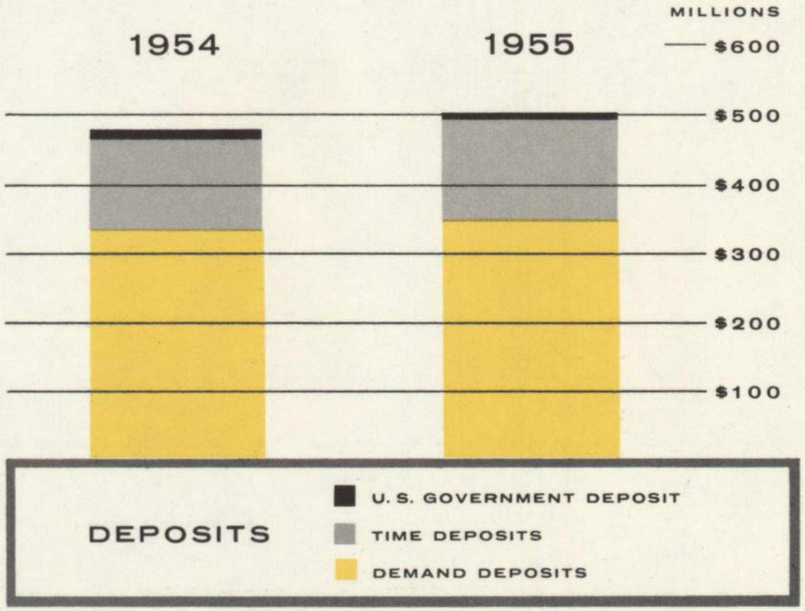
A very large percentage of our increased loan portfolio consists of short term advances to corporate and other customers for seasonal or other temporary financing.

The active use of our collateral loan facilities by both individuals and corporations continues to be an important part of our lending activities.

Term or intermediate loans are used by a number of our customers but the volume at year end was up only slightly because many borrowers made payments ahead of schedule.

Home building activities continued at a rapid pace and many Clevelanders received assistance from our Mortgage Loan Division in financing their new homes. Almost full employment and higher levels of income enabled customers to accelerate their mortgage payments.

Our Installment Loan Division shared in the nationwide increased demand for consumer goods, home modernization and other products and services financed on the installment plan. More customers were served in this division than in any previous year.



Despite substantially increased credit needs of individuals and businesses resulting from an expanding economy, the financial needs of our customers continue to be well supplied.

Deposits

Total deposits at the end of the year were $26,465,033 higher than a year ago and averaged $10,961,000 more throughout the year than in 1954. For the first time, year-end deposits exceeded one-half billion dollars, the actual total being $500,277,633 compared with $473,812,600 the year previous. Demand deposits amounted to $358,478,525 or 71.6% of the total.

Trust Department

Throughout the year there was a steadily increasing demand for the highly specialized services of the Trust Department. Number of customers served, total dollar volume of business transacted and earnings were the highest on record.

Years of experience in our Trust Department have taught us that the first important step in arranging one's estate is proper planning. And so years ago we developed an Estate Planning Division whose qualified and highly trained specialists help men and women plan the arrangement of their wills, living trusts, life insurance trusts, family gifts and related matters. Other specialized divisions offer investment, real estate and tax services.

While an important percentage of the assets held in our Personal Trust Division is administered under wills of deceased persons, a very large volume of assets has been entrusted to us by living persons for care and management. To a greater extent than is generally realized, our business consists of investment advisory accounts and trusts which are carried on year after year by our customers. The continuation of this business from year to year testifies to the performance of our trust specialists and reflects the satisfaction of our customers.

In the Corporate Trust Division, an important and growing service is the administration of pension and profit sharing plans. Business organizations of all sizes are currently creating more and more of these employee benefit plans. They are a vital part of modern American business and of ever-growing importance in our economy.

A significant development in 1955 was the establishment of the Central National Bank Combined Investment Fund for Pension and Profit Sharing Trusts which enables small and medium-sized companies to gain important income and cost-saving advantages. Our Combined Investment Fund, approved for tax exemption by the Internal Revenue Service, allows each company to select its own pension or profit sharing plan, and establish its own tailor-made trust to best accomplish the objectives of its plan. The assets of several such trusts are then combined with resultant benefits of a large investment fund consisting principally of improved income and lower administrative costs.

Other important Corporate Trust Division services to business include those of stock transfer agent, trustee under bond issues, registrar and fiscal agent.

Foreign Division

The round-the-world services of the Bank were used by a steadily growing number of customers in 1955. Our increased volume of foreign transactions reflects the expansion of our national economy, the high level of business activity in the Great Lakes area and increased interest in Cleveland as a world port. The actual start of the St. Lawrence Seaway has already focused world-wide attention on Cleveland. In 1955, there were 293 visits to our local port by foreign-flag, ocean-going freighters. It is expected that our trading area will benefit substantially from the Seaway which may well be one of the most important economic developments in the history of the Great Lakes region.

The Bank's international operations are made possible through a global network of correspondent banks and our staff of specialists in foreign banking. These specialists offer personalized assistance with overseas travel, foreign exchange, remittances of funds to and from the nations of the world, the handling of foreign collections and commodity loans, and the issuance of letters of credit to finance imports and exports. The Foreign Division is always prepared to discuss with interested firms such subjects as: current business and credit conditions abroad, the best methods of financing overseas operations, and the most advantageous methods for developing international relationships.

Branch System

Our seventeen branch offices located strategically throughout greater Cleveland are an increasingly important factor in the continuing growth of the Bank. These community banks have enabled our growing organization to continue its friendly and individualized services to more and more people and industry in all sections of our trading area.

A new branch at 15415 Detroit Avenue in suburban Lakewood is scheduled for opening in the spring of 1956. These new facilities will enable us to better serve our many existing customers, and substantially aid in developing new business for the bank in this important community.

Further expansion of our branch system is planned with additional locations now under consideration. These additional offices will provide completely modern banking facilities including drive-in banking which was pioneered in Cleveland by Central National and is now in popular use at nine branches.

Our Staff

An expression of sincere thanks is due to the 998 men and women of the Central National staff. They are a competent, experienced and loyal group whose intelligence, initiative and hard work have been largely responsible for the successful results obtained in 1955.

The Bank is fortunate in having a solid nucleus of officers and employees with long records of service. Deserving of special recognition are 71 staff members who have been serving our customers for 25 years or longer and 288 for over 10 years.

Salaries and benefits received by our staff are in keeping with the standards of business and industry generally, which is an important factor in the maintenance of an efficient and capable staff and the recruitment of additional personnel. The Profit Sharing Plan approved by shareholders a year ago has been an important factor in reducing costs, increasing income and the maintenance of a high morale. As provided by the plan formula, staff members will receive a cash payment slightly in excess of 5% of 1955 base salaries and those with five or more years of service will also participate in the deferred portion of the plan which provides supplemental retirement benefits.

Among the official family, a number of promotions were made to keep pace with the growth of the bank and insure the continued development of our executive staff. Elected Vice Presidents were: J. T. Lieser, Frederick Lynch, Jr., W. A. McGinnis and E. H. Wallace. Members of the staff promoted to the official family were: A. G. Clark, Assistant Vice President; R. O. Smith, Assistant Cashier; and K. E. Martineau, Manager of the Cedar-Center Office.

Sixty former members of the staff are receiving benefits under the Bank's retirement plan, including five who retired during 1955.

Directors

Our board of twenty-five directors is composed of men with widely varied business and financial experience. They devote much time and effort to directing the policies of the Bank and sincere appreciation is expressed for their contribution to our profitable banking operations.

It is with deep regret and a sense of real loss that we record the deaths of directors: E. Franklin Motch, President of The Motch and Merryweather Machinery Company, and George S. Cole, who had been a member of the board since 1929.

New board members elected during the year were: Samuel S. Kaufman, President of the Campus Sportswear and Sweater Company; Mr. John A. Sargent, President of Diamond Alkali Company; and Mr. Fred M. Hauserman, President of The E. F. Hauserman Company.

Shareholders

As of December 31st there were 5,796 shareholders, whose capital investment and continued support are so vital to the continued progress and successful operation of this Bank.

Approximately 75% of the Bank's 875,000 shares was registered in the names of individuals. The balance is accounted for by a constantly growing number of shares which are held by trustees and institutional investors such as investment trusts, pension trusts, insurance companies and savings banks.

Our shareholders reside in 44 states and the Dominion of Canada.

The Outlook for 1956

The banking outlook for 1956 is favorable. The continuing high level of business activity is expected to maintain bank loans at an over-all level at least equal to the average for 1955. Any decline in certain segments of the economy should be more than offset by increases in expenditures for plant and equipment, nonresidential construction and government expenditures for defense.

The net effect of the restrictive credit policy of the monetary authorities in 1955 was to retard the rapid growth in loans, restrict further expansion of bank deposits and encourage a rise in interest rates.

Any shift to a less restrictive policy in 1956 should improve the rate of growth of deposits. Recent increases in the average rate of interest received on loans and investments indicate a further rise in bank earnings in the year ahead.

By reason of our strengthened capital position, the Bank is better prepared than ever before to contribute to and share in the anticipated growth of business in 1956.

Conclusion

We express our appreciation for the many evidences of good will and continued support manifested by shareholders and customers. With an active and able Board of Directors and a staff of experienced and loyal men and women devoting their energies and talents to our growing institution, we look forward to 1956 with confidence, and are prepared for a year of even greater usefulness and accomplishments.

Respectfully submitted,

J. C. McHannan
CHAIRMAN

Loring L. Gelbach
PRESIDENT

A TEN YEAR REPORT ON A GROWING BANK IN A GROWING COMMUNITY

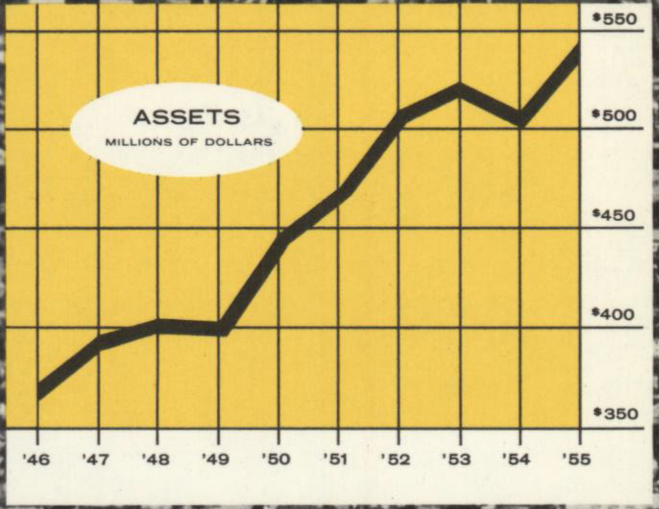
Essential to the continuous progress of any bank is the growth potential of the community it serves. Extensive diversification of industry both large and small and the addition of many new companies in the past decade have served to establish Greater Cleveland as one of the leading industrial centers of the nation.

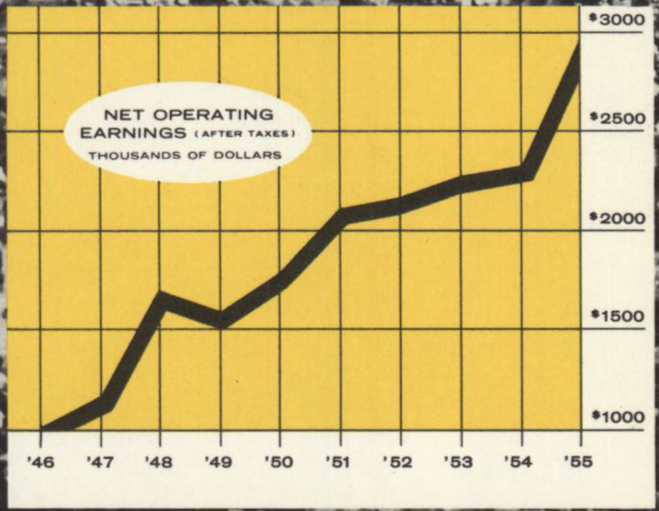
In the process of serving an increasing number of customers, the bank has experienced a marked growth. These pages reflect substantial gains in assets and earnings. Shareholders have seen dividends per share more than doubled during this period.

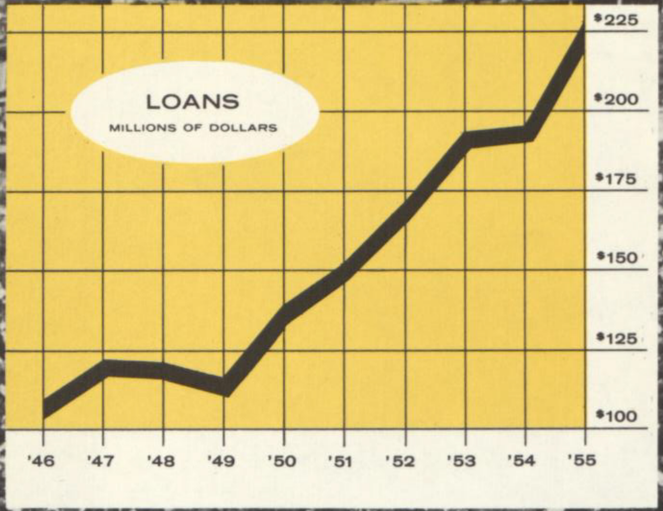
Deposits increased by more than $155 million and the bulk of the increase in earning assets was in loans to individuals and businesses. The chief purpose of any commercial bank is the extension of credit, and the extent Central National has shared in serving the financial needs of the community is reflected by total loans of $228 million which represents a doubling of the loan account during the period shown.

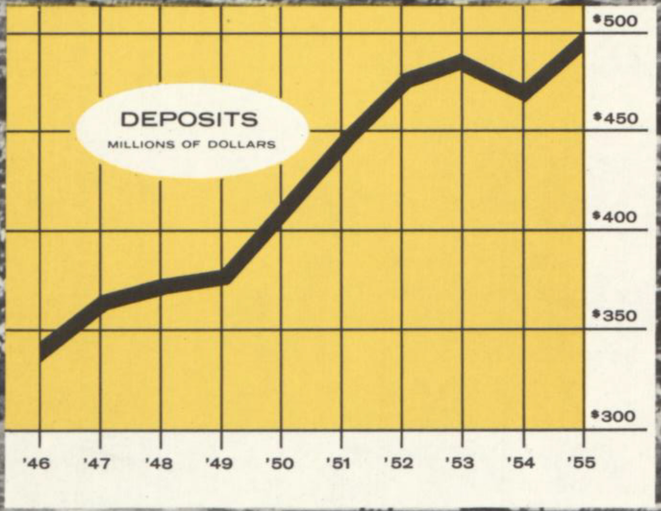
Net earnings after taxes during the decade almost tripled, rising from $1,023,000 in 1946 to $2,956,000 in 1955. Dividends rose from 80¢ to $1.65 per share. Shareholders' equity increased from $9,973,000 to $31,277,000. In addition to these capital funds, reserves totaling more than $6,200,000 have been accumulated in the past eight years, and in effect constitute additional funds which are at work for shareholders in the business.

The continued influx of new companies into Northern Ohio and the announced plans to spend millions of dollars for plant expansion coupled with the stimulus provided by the St. Lawrence Seaway all point to Cleveland's continued dominance among the great cities of America. Central National is prepared to move ahead with Greater Cleveland to new high levels of service and activity.






LOANS
MILLIONS OF DOLLARS
$225
$200
$175
$150
$125
$100
'46
'47
'48
'49
'50
'51
'52
'53
'54
'55


DEPOSITS
MILLIONS OF DOLLARS
$500
$450
$400
$350
$300
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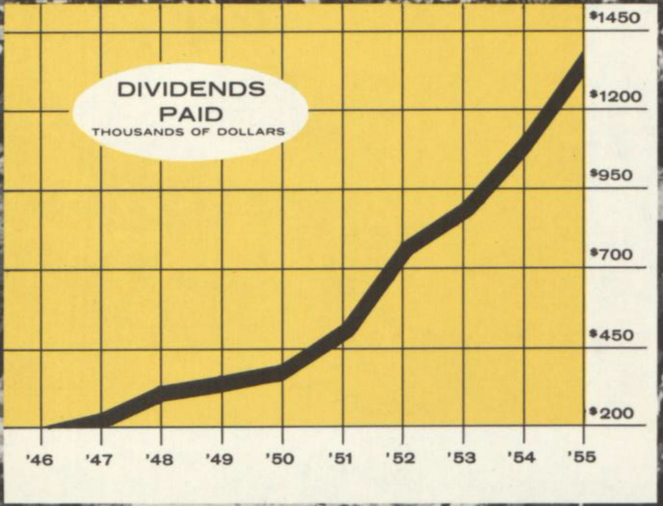
'47
'48
'49
'50
'51
'52
'53
'54
'55


DIVIDENDS PAID
THOUSANDS OF DOLLARS
$1450
$1200
$950
$700
$450
$200
'46
'47
'48
'49
'50
'51
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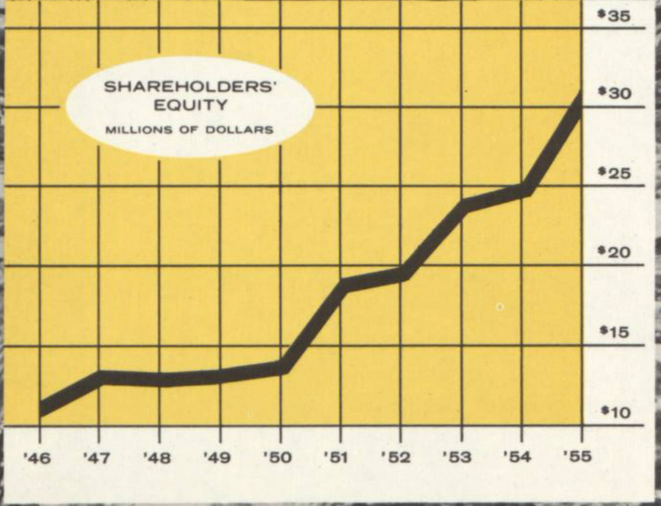

SHAREHOLDERS' EQUITY
MILLIONS OF DOLLARS
$35
$30
$25
$20
$15
$10
'46
'47
'48
'49
'50
'51
'52
'53
'54
'55

IN TEN YEARS . . . A CITY GREW WITHIN A CITY

Opposite is an aerial photo of Cleveland. The growth and expansion of this great metropolis, during the last decade, is pictured by the symbolic city shown in color. During these ten years, this symbolic city with a population of 215,000 has sprung up within our metropolitan area. Let's check over a few growth statistics which indicate the *build-up* that makes this city hum with activity and prosperity.

The captions on the opposite spread show the *increases* since 1946 . . . increases which provide the vitality of Greater Cleveland; a cosmopolitan area throbbing with the rhythm and pulse of forty-eight nationality groups; solid citizens, busy in more than 10,000 job classifications, who will continue to build a powerful and diversified industrial center.

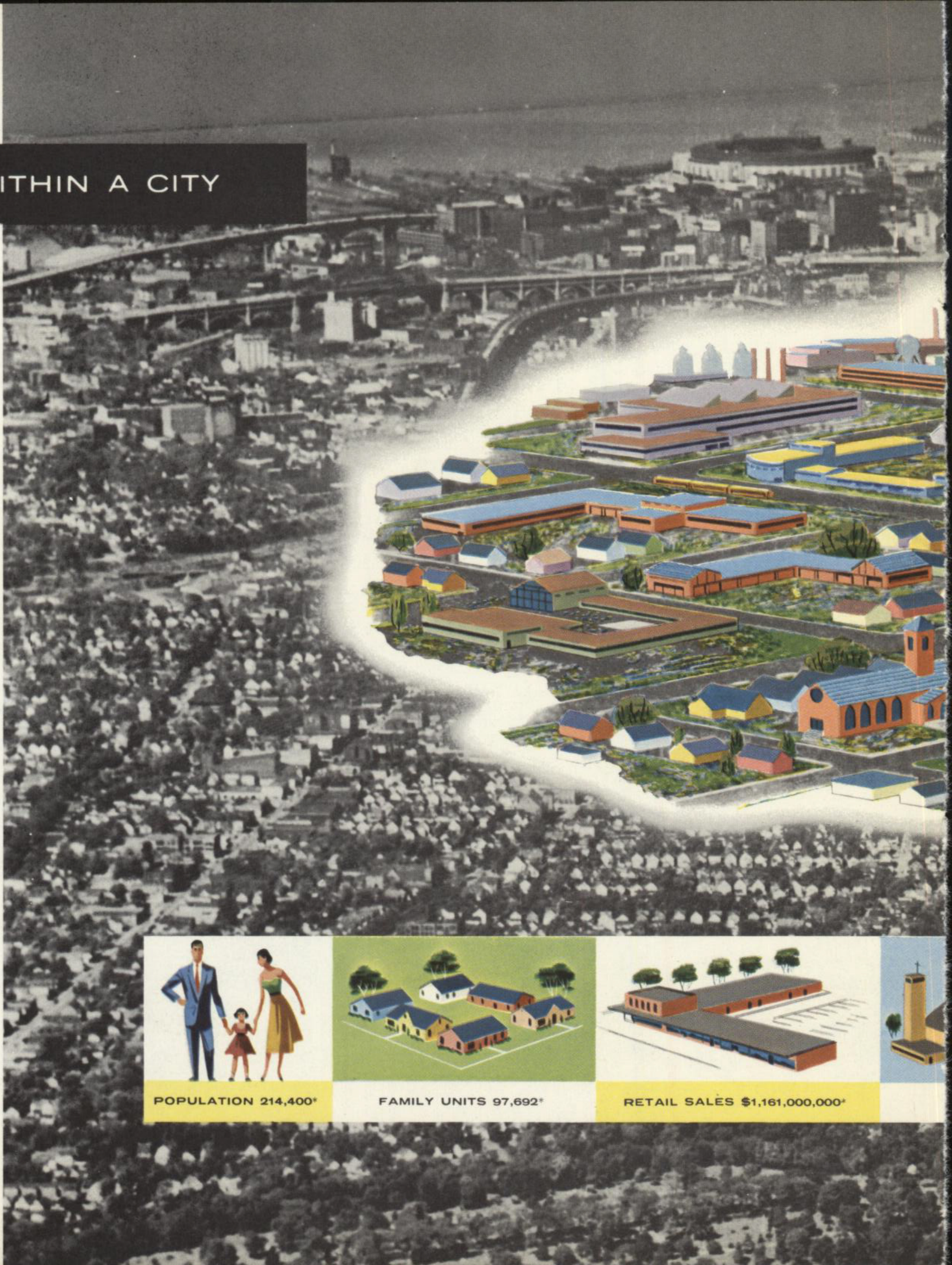
This bustle, this beat within the economic complexity of Cuyahoga County promises an increasingly prosperous future. It insures the success of our expanding waterway facilities which eventually will harbor more and larger vessels freighted with exports for world-wide trade.

But energy alone does not account for a progressive past or forecast a prosperous future. Development of commercial and industrial activities is dependent on expanding banking facilities.

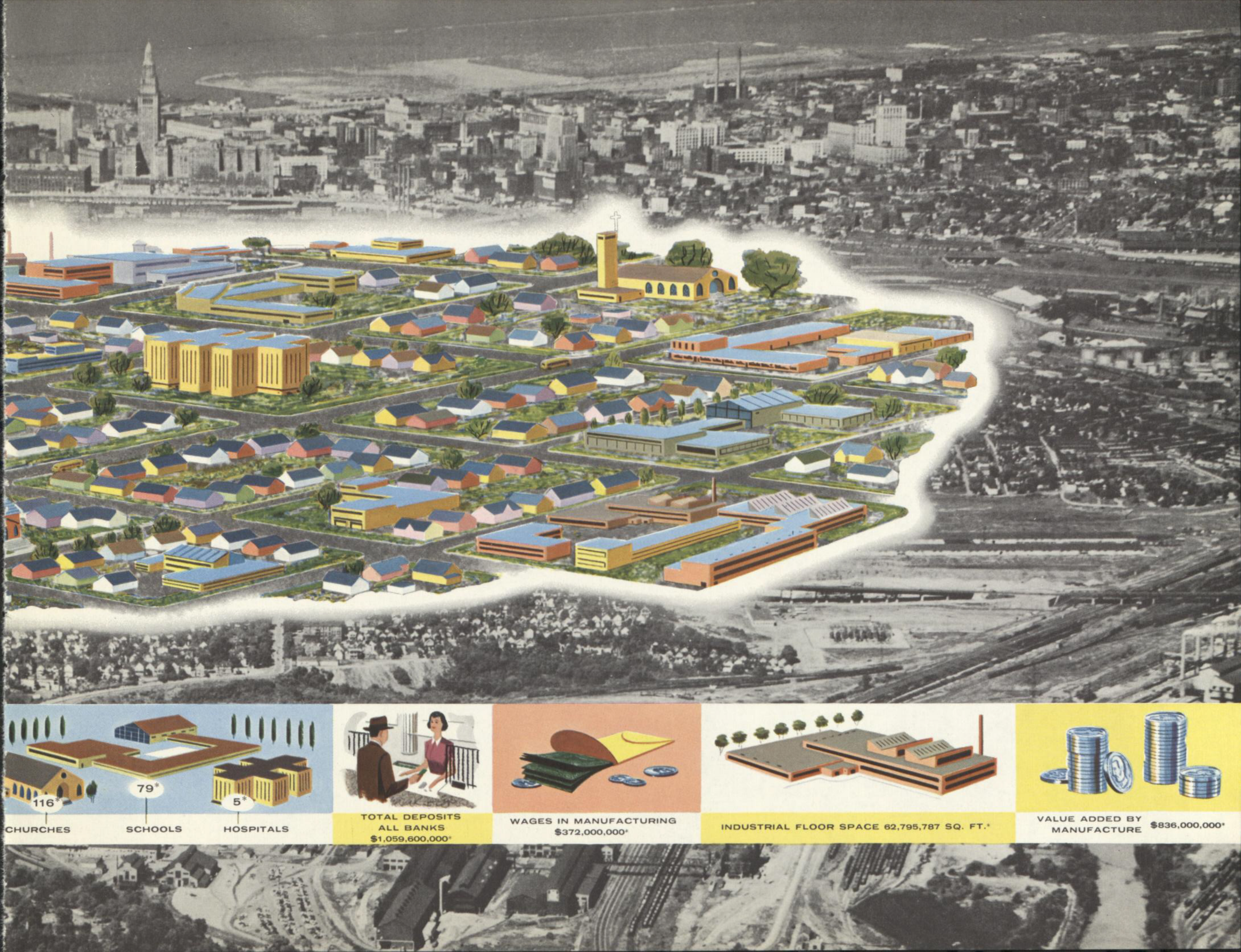
As a growing bank in a growing community, Central National will continue to add to the prosperity of Greater Cleveland. And in so serving, every employee will strive to make sure that *You can always bank on Central for friendly and helpful banking services.*

The captions opposite indicate the growth of Greater Cleveland during the ten years

→



**Based on latest data available at year end 1955 as supplied by The Cleveland Real Property Inventory and the Cleveland Chamber of Commerce.*



116* CHURCHES

79* SCHOOLS

5* HOSPITALS

TOTAL DEPOSITS
ALL BANKS
$1,059,600,000*

WAGES IN MANUFACTURING
$372,000,000*

INDUSTRIAL FLOOR SPACE 62,795,787 SQ. FT.*

VALUE ADDED BY
MANUFACTURE $836,000,000*

CONDENSED STATEMENT OF CONDITION

ASSETS	December 31, 1955	December 31, 1954
Cash in Vault and Due From Banks	$127,362,758.73	$110,353,643.28
U. S. Government Obligations	166,272,211.89	191,374,742.86
Other Bonds and Securities, Including Stock of the Federal Reserve Bank	14,060,204.82	6,294,350.15
Loans Guaranteed or Insured by Federal Agencies	35,430,287.66	34,370,948.29
Other Loans and Discounts	193,242,281.95	161,754,742.23
Customers' Liability Under Acceptances and Letters of Credit Outstanding	1,793,984.27	627,758.55
Banking Premises	2,698,332.14	2,672,184.33
Accrued Interest and Other Assets	3,072,831.90	1,821,308.05
Total Assets	$543,932,893.36	$509,269,677.74

United States Government obligations were pledged to secure trust deposits and public funds and for other purposes as required by law: at December 31, 1955—$55,172,732.12, at December 31, 1954—$61,808,446.33.

LIABILITIES	December 31, 1955	December 31, 1954
Deposits:		
Demand	$358,478,525.84	$341,607,243.14
Time	141,799,107.41	132,205,357.51
Total Deposits	$500,277,633.25	$473,812,600.65
Acceptances and Letters of Credit Outstanding	1,793,984.27	627,758.55
Accrued Expenses, Taxes, etc.	4,330,294.76	4,070,289.08
Valuation Reserve for Loans and Securities	6,253,938.54	5,658,107.83
Capital Stock—875,000 Shares, Par Value $16	$ 14,000,000.00	$ 11,250,000.00(a)
Surplus	14,000,000.00	11,250,000.00
Undivided Profits	3,277,042.54	2,600,921.63
Total Capital Accounts	$ 31,277,042.54	$ 25,100,921.63
Total Liabilities	$543,932,893.36	$509,269,677.74

(a) 703,125 Shares, Par Value $16.

Member Federal Deposit Insurance Corporation

STATEMENT OF SURPLUS AND UNDIVIDED PROFITS

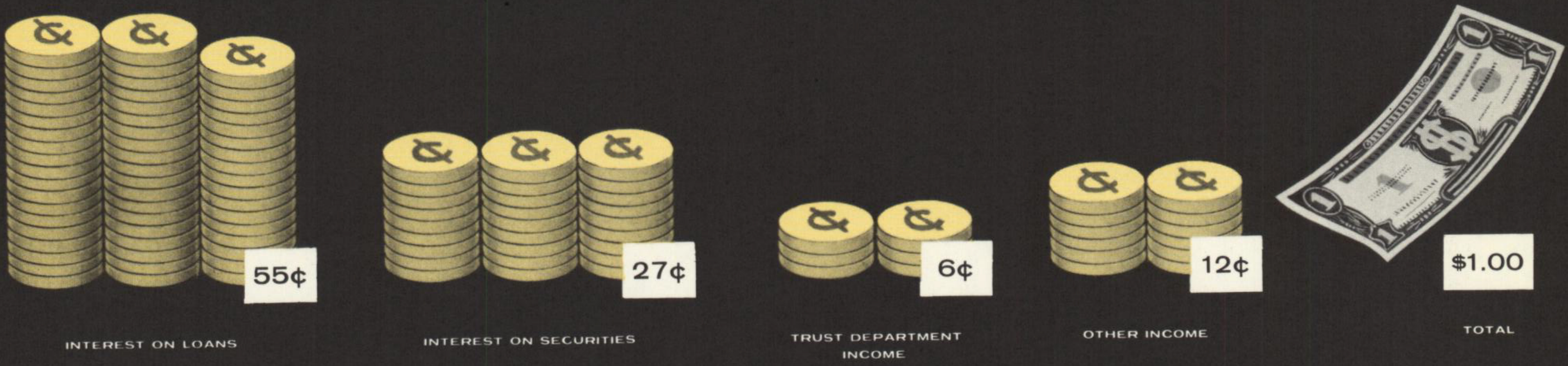
Balance Forward—January 1, 1955	$13,850,921.63
Additions:	
Current Earnings	$ 2,081,556.91
Premium on Sale of Capital Stock	2,835,937.50
Total Additions	$ 4,917,494.41

Deductions:	
Dividends Paid	$ 1,375,000.00
Extraordinary Expense—Sale of Capital Stock	116,373.50
Total Deductions	$ 1,491,373.50
Balance—December 31, 1955	$17,277,042.54

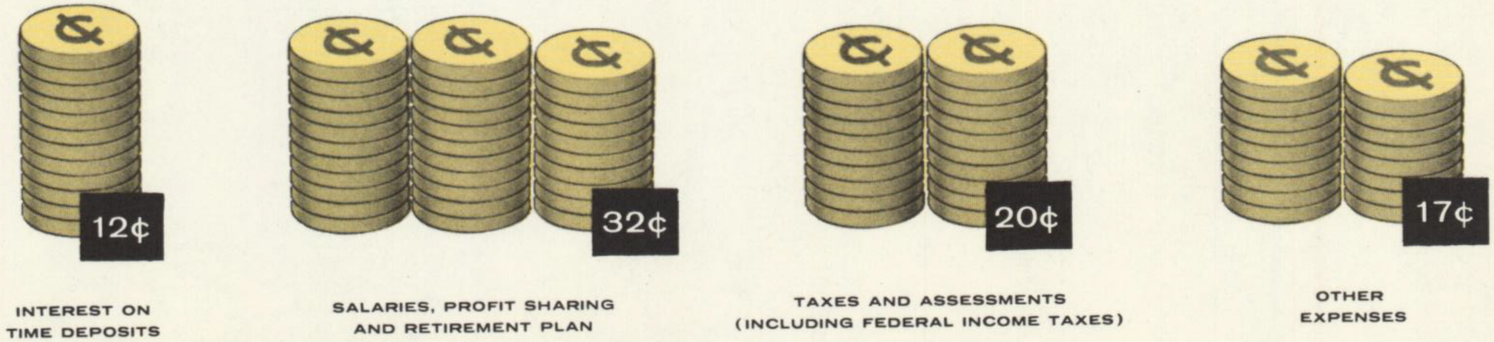
STATEMENT OF EARNINGS

	1955	1954
OPERATING INCOME		
Interest on Loans	$ 8,431,776.62	$ 7,154,601.92
Interest on U. S. Government Securities	3,875,242.10	4,140,956.58
Interest on Other Securities	286,693.99	96,726.34
Total Interest Income	$12,593,712.71	$11,392,284.84
Other Income	2,637,144.81	2,213,164.70
Total Operating Income	$15,230,857.52	$13,605,449.54
OPERATING EXPENSES		
Interest on Time Deposits	$ 1,792,146.22	$ 1,302,743.03
Salaries, Wages, Profit Sharing and Contribution to Retirement Plan	4,846,356.00	4,554,001.64
Occupancy Expenses (Including Real Estate Taxes)	866,394.05	877,212.49
Taxes (Other Than Real Estate and Federal Income)	724,514.70	739,144.08
Federal Deposit Insurance	160,000.00	147,300.00
Other Expenses	1,759,889.64	1,627,121.53
Total Operating Expenses	$10,149,300.61	$ 9,247,522.77
OPERATING EARNINGS BEFORE FEDERAL INCOME TAX	$ 5,081,556.91	$ 4,357,926.77
Provision for Federal Income Tax on Operating Earnings	2,125,000.00	2,035,000.00
NET OPERATING EARNINGS	$ 2,956,556.91	$ 2,322,926.77
Profit (or Loss) on Securities Sold After Taxes	(913,226.06)	303,060.58
TOTAL EARNINGS BEFORE RESERVES	$ 2,043,330.85	$ 2,625,987.35
Transferred to Valuation Reserve for Loans	$ 875,000.00	$ 335,000.00
Transferred to (or from) Valuation Reserve for Securities	(913,226.06)	303,060.58
TOTAL TRANSFERRED TO (OR FROM) RESERVES	$ (38,226.06)	$ 638,060.58
EARNINGS ADDED TO UNDIVIDED PROFITS	$ 2,081,556.91	$ 1,987,926.77

WHERE INCOME DOLLAR CAME FROM . . .



HERE ARE THE EXPENSES FOR THE YEAR



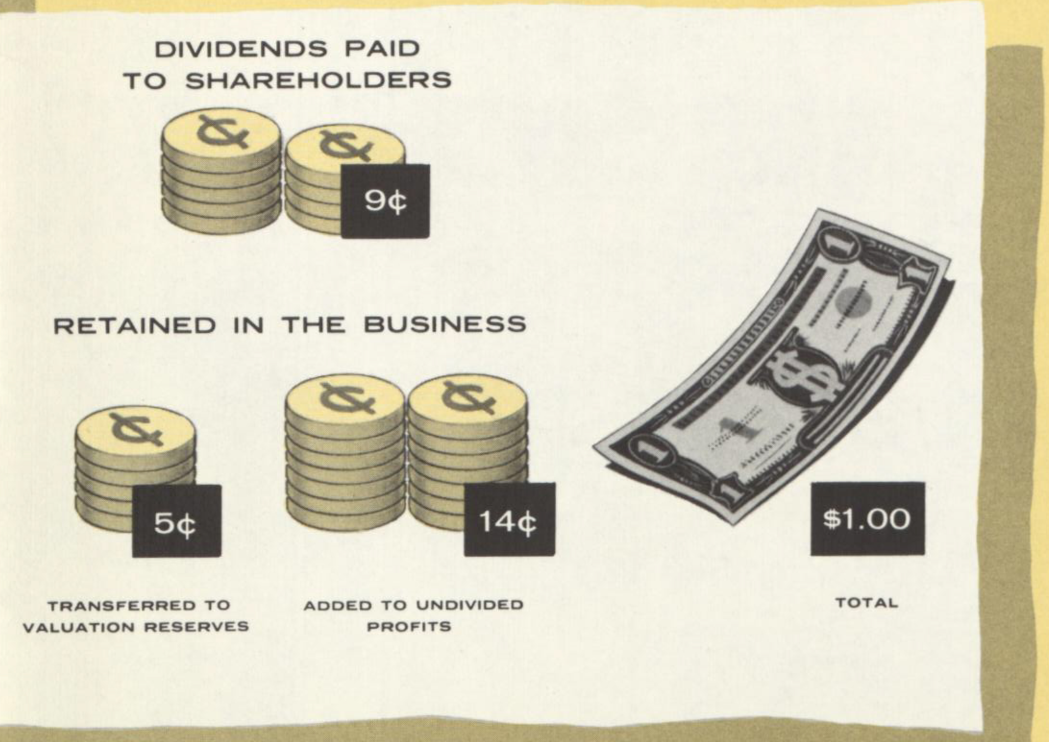
BALANCE SHEET AND OPERATING RATIOS

OPERATING EARNINGS ON CAPITAL STOCK, PER SHARE (a)	1955	1954
Operating Earnings Before Federal Income Taxes	$ 5.80	$ 4.98
Provision for Federal Income Tax on Operating Earnings	2.43	2.33
Net Operating Earnings Before Reserves	$ 3.37	$ 2.65

DISTRIBUTION OF OPERATING EARNINGS, PER SHARE (a)		
Transferred to Valuation Reserve for Loans	$ 1.00	$ .38
Transferred to Undivided Profits	2.37	2.27
Total	$ 3.37	$ 2.65

BOOK VALUE PER CAPITAL SHARE (a)	$35.74	$28.69

(a) Based on 875,000 Shares.



OPERATING INCOME—PER CENT OF TOTAL	1955	1954
Interest on Loans	55.36%	52.58%
Interest on Securities	27.33	31.15
Other Income	17.31	16.27
Total Operating Income	100.00%	100.00%

DISTRIBUTION OF OPERATING INCOME		
Interest on Time Deposits	11.77%	9.58%
Salaries, Wages, Profit Sharing and Contribution to Retirement Plan	31.82	33.47
Occupancy Expense (Including Real Estate Taxes)	5.69	6.45
Taxes (Other Than Real Estate and Federal Income)	4.76	5.43
Federal Deposit Insurance	1.05	1.08
Other Expenses	11.55	11.96
Total Operating Expenses	66.64	67.97
Provision for Federal Income Tax on Operating Earnings	13.95	14.96
Net Operating Earnings	19.41	17.07
	100.00%	100.00%

AVERAGE RATE OF EARNINGS PER ANNUM		
Loans and Discounts	4.44%	4.36%
U. S. Government Securities	2.09	2.01
Other Securities	2.23	2.05
Total Loans and Securities	3.24	3.04

ASSETS—PER CENT OF TOTAL		
Total Cash and Due From Banks	23.42%	21.67%
Loans and Discounts	42.04	38.51
U. S. Government Securities	30.57	37.58
Other Bonds and Securities	2.58	1.24
Other Assets	1.39	1.00
Total Assets	100.00%	100.00%

DEPOSITS—PER CENT OF TOTAL		
Commercial	55.43%	53.49%
Bank	7.85	7.90
Public Funds—Demand	3.54	3.62
Other Demand Deposits	3.14	4.68
Total Demand Deposits	69.96	69.69
Savings Deposits	22.05	22.52
Other Time Deposits	6.29	5.38
Total Time Deposits	28.34	27.90
Treasury Tax and Loan Account	1.70	2.41
Total Deposits	100.00%	100.00%

TEN-YEAR COMPARISONS

ASSETS . . . In Thousands of Dollars

At Year End	Cash in Vault and Due From Banks	U. S. Govt. Securities (a)	Loans and Discounts (a)	Other Assets	Total Assets (a)
1955	$127,362	$166,272	$228,672	$21,625	$543,932
1954	110,353	191,374	196,125	11,415	509,269
1953	125,961	196,553	193,042	6,311	521,869
1952	122,379	207,735	170,125	9,448	509,688
1951	114,913	200,653	152,059	5,698	473,324
1950	104,790	185,193	138,622	18,076	446,682
1949	85,135	190,492	117,809	11,306	404,743
1948	99,906	170,969	121,180	12,202	404,258
1947	89,447	171,409	122,371	11,181	394,409
1946	84,730	166,401	109,144	12,363	372,639

(a) Amounts shown are without deductions for Valuation Reserves.

DEPOSITS . . . In Thousands of Dollars

At Year End	Demand Deposits	Time Deposits	Total Time and Demand Deposits	U. S. Treasury Tax and Loan Account	Total Deposits
1955	$349,996	$141,799	$491,795	$ 8,482	$500,277
1954	330,205	132,205	462,411	11,401	473,812
1953	343,634	132,927	476,562	12,585	489,148
1952	332,652	130,483	463,135	15,348	478,484
1951	311,525	125,416	436,941	11,373	448,314
1950	284,933	121,141	406,074	7,551	413,625
1949	249,699	122,574	372,273	8,425	380,698
1948	243,771	125,145	368,916	7,053	375,970
1947	242,159	121,605	363,764	3,653	367,417
1946	223,696	111,236	334,933	10,042	344,975

TEN-YEAR COMPARISONS

EARNINGS

				Per Share			
Year	Operating Earnings	Federal Income Taxes	Net Operating Earnings	Operating Earnings (a)	Federal Income Taxes (a)	Net Operating Earnings (a)	Dividends Paid
1955	$5,081,556	$2,125,000	$2,956,556	$5.80	$2.43	$3.37	$1.65
1954	4,357,926	2,035,000	2,322,926	4.98	2.33	2.65	1.60
1953	4,139,039	1,875,000	2,264,039	4.73	2.14	2.59	1.60
1952	3,322,374	1,160,000	2,162,374	3.80	1.33	2.47	1.40
1951	2,717,237	610,000	2,107,237	3.11	.70	2.41	1.30(b)
1950	2,451,076	675,000	1,776,076	2.80	.77	2.03	1.20
1949	1,708,638	120,000	1,588,638	1.95	.13	1.82	1.20(c)
1948	1,890,983	199,000	1,691,983	2.16	.23	1.93	1.10
1947	1,548,458	383,000	1,165,458	1.77	.44	1.33	1.00
1946	1,398,020	375,000	1,023,020	1.60	.43	1.17	.80

(a) Adjusted to 875,000 shares presently outstanding.

(b) Also two Stock Dividends aggregating 13.305785%, (57,600 shares).

(c) Also 10% Stock Dividend, (30,000 shares).

COMMON CAPITAL ACCOUNTS AND RESERVES

At Year End	Number of Shares of Stock Outstanding	Capital Stock, Surplus, and Undivided Profits (a)	Book Value Per Share (b)	Valuation Reserves for Loans and Securities
1955	875,000	$31,277,042	$35.74	$6,253,938
1954	703,125	25,100,921	28.69	5,658,107
1953	703,125	24,237,994	27.70	4,925,772
1952	562,500	19,870,175	22.71	4,538,342
1951	562,500	19,108,610	21.84	3,858,455
1950	330,000	14,169,591	16.19	2,687,458
1949	330,000	13,607,974	15.55	2,163,959
1948	300,000	13,382,221	15.29	1,487,562
1947	300,000	13,528,104	15.46	
1946	250,000	11,575,343	13.23	

(a) Includes sale of additional Common Capital Stock as follows:

February, 1955 . . .	171,875 shares at $32.50 . . .	$5,585,937
November, 1953 . . .	140,625 shares at $28.00 . . .	3,937,500
December, 1951 . . .	108,900 shares at $27.00 . . .	2,940,300
January, 1951 . . .	66,000 shares at $27.00 . . .	1,782,000
November, 1947 . . .	50,000 shares at $25.00 . . .	1,250,000

(b) Adjusted to 875,000 shares presently outstanding.

DIRECTORS

Walter C. Astrup
Chairman, The Astrup Co.

Dudley S. Blossom, Jr.
Secretary, Bearings, Inc.

James E. Campbell
President, The Campbell Coal Co.

James H. Coolidge
Vice President, Thompson Products, Inc.

George S. Dively
Chairman and President,
Harris-Seybold Company

Howard P. Eells, Jr.
President, Basic Refractories, Inc.

Loring L. Gelbach
President

W. Wayne Hancock
Vice President in charge of Finance and
Secretary, Republic Steel Corporation

Fred M. Hauserman
President, The E. F. Hauserman Company

Albert M. Higley
President, The Albert M. Higley Co.

Herbert C. Jackson
Partner, Pickands, Mather & Co.

Samuel S. Kaufman
President,
Campus Sweater and Sportswear Company

James M. Killpack
Senior Vice President

L. F. Laylin
Cleveland, Ohio

Howard J. McGinn
President, Eaton Manufacturing Co.

John C. McHannan
Chairman

John A. Sargent
President, Diamond Alkali Company

W. J. Schoenberger
Cleveland, Ohio

Lester M. Sears
Chairman, Towmotor Corporation

E. W. Sloan, Jr.
Vice President and Treasurer,
Oglebay, Norton and Company

W. A. Southworth
Squire, Sanders & Dempsey

R. J. Wean
President and Treasurer,
The Wean Engineering Co., Inc.,
Warren, Ohio

Myron H. Wilson, Jr.
Partner, Wilson, McBride & Co.

Alexander T. Wood
President, The Wilson Transit Co.

L. C. Wykoff
Arter, Hadden, Wykoff & Van Duzer

OFFICERS

John C. McHannan, *Chairman*
Loring L. Gelbach, *President*
James M. Killpack, *Senior Vice President*

BANKING DEPARTMENT

COMMERCIAL BANKING DIVISIONS

National Accounts, and Banks Outside Ohio

Metropolitan Cleveland: *Accountants, Brokerage & Investment Firms, Finance Companies, Graphic Arts, Insurance Underwriters, Jewelers, Laundries, Municipalities, Printing & Publishing, Professions, Railroads, Retail Stores.*

H. R. Harris	*Vice President*
H. W. Parsons	*Vice President*
R. S. Strong	*Assistant Vice President*
W. P. Woodbridge	*Assistant Vice President*

Metropolitan Cleveland: *Automobile Dealers, Aviation, Banks, Beverages, Contractors, Distillers, Electrical Manufacturers, Engineering Companies, Foundries, Iron & Steel, Machine Tools, Metals & Miscellaneous Manufacturing, Public Utilities, Textiles.*

W. E. Caldwell, Jr.	*Vice President*
M. J. Hartman	*Vice President*
O. A. Kuhl, Jr.	*Vice President*
W. H. Quayle	*Assistant Vice President*
K. P. Lincoln, Jr.	*Assistant Cashier*

Ohio Banks and Industries

Metropolitan Cleveland: *Builders Supplies, Chemicals, Coal, Food Products, Grain, Iron Ore, Lake Transportation, Lumber, Motor Transport, Paints & Varnishes, Petroleum Products, Rubber.*

E. L. Carpenter	*Vice President*
C. H. Martin	*Vice President*
E. J. Sprankle	*Assistant Vice President*
E. E. Steehler	*Assistant Vice President*
J. R. Wilson	*Assistant Vice President*
B. F. Hopkins, Jr.	*Assistant Cashier*

OFFICERS, BANKING DEPARTMENT—Continued

FOREIGN DIVISION

O. L. Carlton	*Vice President*
W. A. McGinnis	*Vice President*
J. F. Schreier	*Assistant Vice President*
J. A. Hess	*Assistant Cashier*

MORTGAGE LOAN DIVISION

H. H. Juergens	*Vice President*
H. L. Fulton	*Assistant Vice President*
E. D. Buckley	*Assistant Cashier*
C. W. Deutsch	*Assistant Cashier*
W. E. Flack	*Assistant Cashier*
R. W. Knipper	*Assistant Cashier*

INSTALLMENT LOAN DIVISION

J. J. Holland	*Vice President*
A. G. Randt	*Assistant Vice President*
H. A. Hansen	*Assistant Cashier*

TRUST DEPARTMENT

A. C. Knight, *Vice President*

PERSONAL TRUST DIVISION

W. A. Hiles	*Vice President*
H. A. Minnich	*Vice President*
E. H. Wallace	*Vice President*
D. B. Campbell	*Trust Officer*
R. N. Heege	*Trust Officer*
A. Heinzerling	*Trust Officer*
G. L. Smith, Jr.	*Trust Officer*
W. G. Stoll	*Trust Officer*

CORPORATE TRUST DIVISION

W. C. Way	*Vice President*
J. T. Lieser	*Vice President*
K. G. Chamberlain	*Trust Officer*

INVESTMENT DIVISION

R. E. Mayne	*Vice President*
A. G. Clark	*Assistant Vice President*

PLANNING AND DEVELOPMENT

Bruce Whidden	*Vice President*
L. H. Lyman	*Trust Officer*
J. P. McClain	*Trust Officer*

TAX DIVISION

C. H. Braley	*Vice President*

GENERAL DEPARTMENTS

INVESTMENTS

C. M. Colyer	*Vice President*

ECONOMIST

R. H. Metzner	*Vice President*

CREDIT

D. S. Clarke	*Vice President*

LEGAL

W. T. Smith	*Counsel*

CONTROL AND AUDIT

R. C. Huelsman	*Vice President and Comptroller*
T. W. Harris	*Assistant Comptroller*
P. V. Purcell	*Auditor*

COMMERCIAL BUSINESS DEVELOPMENT

R. H. Eichman	*Vice President*

CASHIER

M. W. Moran	*Cashier*
J. L. Carlson	*Assistant Cashier*
A. J. Mampel	*Assistant Cashier*
R. O. Smith	*Assistant Cashier*
Wilson W. Smith	*Assistant Cashier*

PUBLIC RELATIONS

F. J. Blake	*Director*

PERSONNEL

Frederick Lynch, Jr.	*Vice President*
F. W. Brush	*Manager*

ADVERTISING

H. J Wills	*Assistant Vice President*

OPERATING

A. E. Staley	*Assistant Vice President*
J. J. Luttner	*Assistant Cashier*
J. H. Perry	*Assistant Cashier*

PLANNING

F. U. Steele	*Assistant Vice President*

(*Officers in the branch system are listed on the next page*)

CENTRAL NATIONAL BANK OFFICES

Main Office

123 West Prospect Avenue • Cleveland 15, Ohio

Brookpark-Pearl Office
6300 Brookpark Road (29)
F. U. Luehrs, *Manager*

Buckeye Road Office
11819 Buckeye Road (20)
A. M. Rose, *Manager*

Cedar-Center Office
13917 Cedar Road (18)
K. E. Martineau, *Manager*

Chagrin Falls Office
Chagrin Falls, Ohio
C. W. Blazer, *Manager*

Coventry Office
Coventry & Lancashire Rds. (18)
W. C. McKinney, *Manager*

Doan Office
Euclid Ave.-E. 101st St. (6)
D. D. Scott, *Vice President*

Euclid Avenue Office
509 Euclid Avenue (14)
C. C. Burchard, *Vice President*
R. E. Arnold, *Manager*

Kenmore Office
St. Clair Ave.-E. 140th St. (10)
R. S. Wilson, *Manager*

Lakewood Office
15415 Detroit Avenue (7)
(*Opening in Spring 1956*)

Lorain-W. 117th St. Office
11718 Lorain Avenue (11)
J. L. Graf, *Manager*

Meadowbrook Office
400 Northfield Road
Bedford, Ohio
R. A. Schoeffler, *Manager*

Oul Office
Broadway at E. 55th St. (27)
C. P. Lamb, *Manager*
A. A. Penkalski, *Asst. Manager*

Playhouse Square Office
1718 Euclid Avenue (15)
W. G. Kirkwood, *Manager*

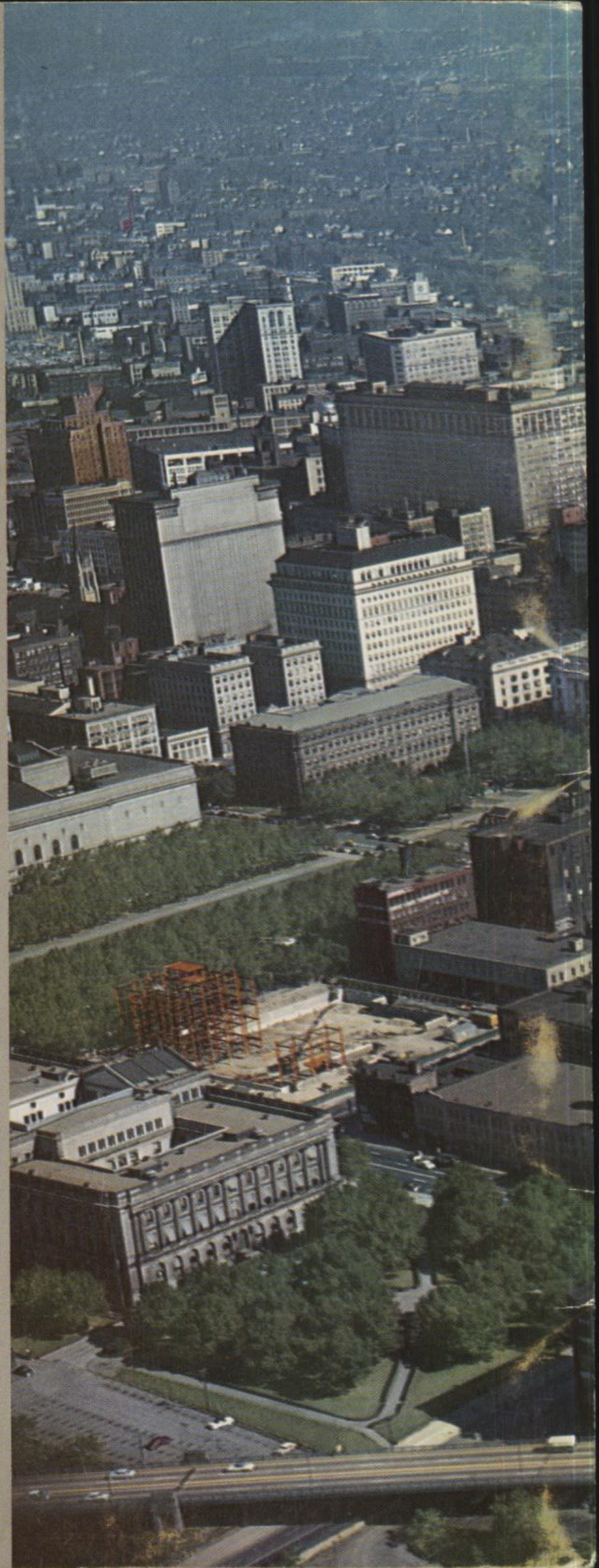
Rockefeller Office
612 Superior Ave., N.W. (13)
J. J. Schultz, *Asst. Vice Pres.*

Shaker Heights Office
16821 Kinsman Rd. (20)
D. M. Agard, *Manager*

Shore Center Office
22332 Lake Shore Blvd. (23)
R. C. Palmer, *Manager*

United Office
2000 West 25th St. (13)
W. F. Taylor, Jr., *Manager*
Alvin D. Heil, *Asst. Cashier*

Westgate Office
20633 Center Ridge Rd. (16)
V. E. Stewart, *Manager*



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